

**FORM ADV PART II**

**Firm Brochure  
For  
Northeast Asset Management Inc.**

**a division of  
Northeast Securities, Inc.**

**333 Earle Ovington Blvd., Suite 706  
Mitchel Field, New York 11553**

**March 31, 2011**

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*This brochure provides information about the qualifications and business practices of Northeast Asset Management. If you have any questions about the contents of this Brochure, please contact us at 516-396-1619 or [steve@necsec.com](mailto:steve@necsec.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority*

*Additional information about Northeast Asset Management Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

**Please note that while Northeast Asset Management is a “registered investment advisor” being “registered” should not be interpreted as having any official or required level of training or skill.**

Item 2 Material Changes

This is the initial FORM ADV PART II brochure for Northeast Asset Management, dated:  
March 31, 2011

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- A.** Northeast Asset Management, Inc. (hereinafter “*NAM*” or the “*Firm*”) is an investment adviser is registered with the Securities and Exchange Commission. *NAM* is a wholly-owned subsidiary of Northeast Securities, Inc., a FINRA-member broker-dealer. Individuals associated with the firm provide *NAM*'s advisory services. These individuals are appropriately licensed, qualified or authorized to provide advisory services on the firm's behalf and are known as Investment Adviser Representatives (“*IAR*'s”).

*NAM* provides fully discretionary and non-discretionary portfolio management on a continuous basis. The investment advice provided by *NAM* is variable depending upon the desires, objectives, and other preferences of the client. Such advice may include the origination of investment ideas, investment buy/sell recommendations, and portfolio management, including the potential selection of securities for the account of the client on the basis of the client's needs and objectives.

*IAR*'s continuously monitor the unaffiliated third party advisers they recommend to non-discretionary clients and act as liaisons between third party advisers and *NAM*'s clients. Advisers may provide continuous and regular supervisory or management services for an account if the adviser allocates assets among other managers (a “manager of managers”), but only if the adviser has discretionary authority to hire and fire managers and reallocate assets among them. *NAM* does not have discretionary authority to hire and fire third party advisers and reallocate assets among them. Therefore *NAM* does not include these assets as part of our SEC calculation for determining who *NAM* should be registered with (i.e., Individual States or SEC Registered)

Advisory persons associated with the Firm must possess, minimally, a college degree and/or appropriate business experience and all required licenses.

Neither the Firm nor any of its management persons have a relationship with any issuer of securities.

- B.** The *IAR*, based on the needs of its clients, offers investments in (a) equity securities, including (1) exchange-listed securities, (2) securities traded over-the-counter, and (3) foreign issuers; (b) warrants; (c) corporate debt securities; (d) commercial paper; (e) certificates of deposit; (f) municipal securities; (g) mutual fund shares; (h) United States government securities; (i) options contracts in securities; and (j) interests in partnerships investing in real estate and oil and gas interests. The *IAR* may also recommend, to advisory clients, with proper compliance approval, investments in private offerings and/or limited investment partnerships, such as hedge funds and other pooled investment partnerships. Because these types of investments involve certain additional degrees of risks beyond typical market security investments, they will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

IAR's of NAM may offer fundamental, technical and cyclical methods of security analysis to their clients, in addition to charts and individual case-by-case analysis of potential investment and client portfolios.

IAR's of NAM sources information from financial media, internal and external research materials, corporate rating services, timing services, Securities and Exchange Commission reports, and company press releases.

IAR's of NAM may employ various investment strategies to suit the individual needs of its clients, including long-term purchases (securities held at least a year), short-term purchases (securities sold within a year), trading (securities sold within 30 days), short sales, margin transactions, and option writing, including covered options, uncovered options or spreading strategies.

- C. The IAR's will customize all portfolios to the needs and goals of individual clients. Discretionary accounts are all separately run and decisions are made on a client-by-client basis. On a non-discretionary basis, the IAR may reflect to clients opportunities in real estate, private ventures, hedge funds, and certain kinds of commingled investments. As the IAR's gather assets for its clients, and as it manages investments for income (either tax-free or taxable), growth, or a balanced combination of both, it also may assist in the selection and monitoring of outside managers, estate planners and tax advisors.

IAR's of NAM are always open to consider suitable and reasonable investment approaches which may appeal to clients and maintain an open mind to new ideas. It is part of the IAR's service to involve itself when asked in any aspect of the client's life to which it can make a contribution. In the past this has included assisting in finding accountants, lawyers, insurance people and discussing with clients any number of problems unique to them. The personal side of the IAR's business is paramount, and the IAR always responds quickly to any requests.

IAR's of NAM actively manage municipal and corporate fixed income portfolios for institutions and high net worth individuals by a team of experienced professionals supported by an in-house bond analyst. The IAR should aim to conservatively structure all portfolios concentrating on credit risk, duration, liquidity and maximization of total return on an after tax basis. All accounts are individually managed by the fixed income principals according to the specific goals of each client; there is no co-mingling of accounts.

At present there is no minimum for assets under management that is required for the IAR's and NAM's portfolio management service. The Firm may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

- D. NAM offers comprehensive financial planning services on a fixed fee basis. The firm gives the client the flexibility to engage its services on either a one-time basis or ongoing basis. An IAR of the firm first conducts an initial consultation during which pertinent information about the client's current financial status, future goals, and attitude towards

risk is collected. Once such information has been reviewed and analyzed, a written financial plan - designed to achieve the Clients' stated financial goals and objectives - will be produced and presented to the Client.

In general, the financial plan will address the following areas:

**PERSONAL:** Family records, budgeting, personal liability, estate information, and financial goals.

**TAX & CASH FLOW:** Income tax and spending analysis and planning for past, current and future years. NAM will illustrate the impact of various investments on a client's current income tax and future tax liability.

**DEATH & DISABILITY:** Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.

**RETIREMENT:** Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.

**INVESTMENTS:** Analysis of investment alternatives and their effect on a client's portfolio.

Financial planning fees will be calculated based upon the extent and complexity of the individual client's personal circumstances. Fees for financial planning services will typically range from \$300 to \$1,500. All fees are agreed upon prior to entering into the financial planning agreement with the client. Financial planning fees are due and payable upon completion of the contracted services. In limited circumstances, NAM may require a minimum fee maybe as low as \$100. Financial planning fees are negotiable in certain circumstances and arrangements with any particular client may differ from those described above.

Financial plans are based on the client's financial situation at the time the plan is presented and are based on financial information disclosed by the client to NAM. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. NAM cannot offer any guarantees or promises that the client's financial goals and objectives will be met. Further, the client must continue to review any plan and update the plan based upon changes in the client's financial situation, goals, or objectives or changes in the economy. As the client's financial situation, goals, objectives, or needs change, client must notify NAM promptly.

Should a client choose to implement the recommendations contained in the financial plan, NAM suggests the client work closely with his/her, IAR, attorney, accountant, insurance agent, and/or stockbroker. Implementation of the financial plan is entirely at the client's discretion.

In addition to the aforementioned services, NAM provides advice on non-securities matters. Generally, this in connection with the rendering of estate planning, insurance, and/or annuity advice.

The financial planning agreement may not be modified or amended except in writing and signed by both the NAM and the Client. NAM and the Client may terminate the agreement within five days of the date of acceptance with no penalty to the Client. After the five-day period, either party may terminate the agreement, at any time, effective upon the receipt of written notice. NAM will return to the Client any unused portion of the prepaid financial planning fees.

**D.** NAM does not participate in any *wrap fee programs*.

**E.** As of December 31st, 2010, the NAM has approximately \$141,883,038.00 under management.

Item 5 Fees and Compensation

- A.** The Firm will typically charge a management fee, as described below, for its advisory services. Compensation for the advisory services provided, may be in the form of commission per transaction or asset based fee. Commission will be determined by the IAR and is normally based on the number of shares traded or the dollar amount of the trade. Advisory fees are payable quarterly and are based on the following fee schedule:

First \$100,000	2.50%
\$100,001 to \$250,000	2.00%
\$250,001 to \$500,000	1.50%
\$500,001 to \$1,000,000	1.25%
Assets over \$1,000,000	1.00%

When fees are payable at the end of each quarter, they will be computed on the value of the account on the last day of the quarter. The fee is prorated for a partial quarter. The fees will be debited from the client account unless otherwise agreed upon.

When fees are payable in advance on a manual basis, they will be computed on the value of the account on the last day of the prior quarter. The fee will be prorated for a partial quarter and returned to the investor. The fees will be debited from the client account unless otherwise agreed upon.

In some cases the fees are calculated by electronic platforms supplied by the clearing agent and may have a more sophisticated method of valuing accounts (i.e. time and dollar weighting) to be charged fees. Said systems are also programmed to prorate fees for partial quarter debits or credits. Information for this is available upon request.

The foregoing represents the fees the firm generally charges. However, fees are negotiable in certain circumstances and arrangements with any particular client may differ from those described above.

The advisory agreement may not be modified or amended except in writing and signed by both NAM and the Client. NAM or the Client may terminate the agreement within five days of the date of acceptance without penalty to the Client. After the five-day period, either party may terminate the agreement on 30 days written notice to the other party.

Each management fee is negotiated by the IAR on a client-by-client basis. Client facts, circumstances and needs determine the fee schedule. These include the complexity of the client's account, assets to be placed under management, portfolio style, commissions charged by the Firm's affiliated broker-dealer to the client, and other factors. The specific annual fee schedule will be identified in the contract between the advisor and each client.

- B.** All fees paid to the Firm for investment advisory services are separate and distinct from the fees and expenses charged by ETFs and mutual funds, (collectively, the "Funds") to their shareholders. The fees and expenses are described in each Fund's prospectus.

These fees will generally include a management fee, other fund expenses, and a possible distribution fee. Accordingly, the client should review both the fees charged by the Funds and the fees charged by the Firm to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

In addition, clients are responsible for the fees and expenses charged by custodians, and broker dealers. Such fees may include, but are not limited to, any transaction charges, fees for duplicate statements and transaction confirmations, and fees for electronic data feeds and reports.

- C. Fees paid by the client to independent third-party investment advisers are established and payable in accordance with the Form ADV Part 2 or other equivalent disclosure provided by each independent third -party investment adviser to whom NAM refers its clients, and may or may not be negotiable. These disclosures will be set forth in the disclosure documents of the third-party adviser.

NAM and its IARs receive compensation from the third-party investment advisers for referring clients. Such compensation may differ depending upon the individual agreement with each third-party investment adviser. Therefore, NAM or its IARs may have an incentive to recommend one of these third-party advisers over other third-party advisers with which it has less favorable compensation arrangements or other advisory programs offered by third-party advisers with which it has no compensation arrangements.

While NAM endeavors at all times to put the interest of the Clients first as part of NAM's fiduciary duty, Clients should be aware that the receipt of additional compensation itself creates a potential conflict of interest.

- D. Financial planning fees will be calculated based upon the extent and complexity of the individual client's personal circumstances. Fees for financial planning services will typically range from \$300 to \$1,500. All fees are agreed upon prior to entering into the financial planning agreement with the client. Financial planning fees are due and payable upon completion of the contracted services. In limited circumstances, NAM may require a minimum fee maybe as low as \$100. Financial planning fees are negotiable in certain circumstances and arrangements with any particular client may differ from those described above.

Although NAM believes its advisory fees are competitive, lower fees for comparable services may be obtained from other sources.

The Firm does NOT permit the charging of Performance Based Fees.

A performance based fees could be defined as, a fee calculated on the basis of shares of capital gains or upon the capital appreciation of the funds or potion of funds of an advisory account (SEC Rule 205(a)(1)).

Item 7 Types of *Clients*

IAR's of NAM solicit retail account for all account types.

The Firm's portfolio management services consist of providing continuous and regular advice to clients regarding the investment of client funds based on each client's needs. Through discussions in which a client's goals and objectives are established, the Firm develops a client's personal investment policy and creates and manages a portfolio based on that policy. The Firm will manage advisory accounts on a discretionary and non discretionary basis. Account supervision is guided by that stated objectives of the client (e.g., growth, income, or growth and income).

The Firm will create a portfolio consisting of one or all of the following: individual equities, bonds, exchange traded funds ("ETFs"), and closed-end funds. The Firm will allocate the clients assets among various investments taking into consideration the overall management style selected by the client. The ETFs and closed-end funds will be selected on the basis of any or all of the following criteria: the fund's performance history; the industry sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives; the fund's management style and philosophy; and the fund's management fee structure. Portfolio weighting between funds and market sectors will be determined by each client's individual needs and circumstances. Clients will have the opportunity to place reasonable restrictions on the types of investments which will be made on the client's behalf. Clients will retain individual ownership of all securities.

When appropriate to the needs of the client, the Firm may recommend the use of trading securities (securities sold within 30 days), short sales, margin transactions or option writing. Because these investment strategies involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated tolerance for risk.

All investments involve different degrees of risk, charges, and expenses. You should be aware of your risk tolerance level and financial situations at all times. Furthermore, you should read all transaction confirmations, monthly, and year-end statements. Read any and all prospectuses carefully before making any investment decisions. You are free at all times to accept or reject all investment recommendations made by the Firm. All products sold are subject to market risk and may result in the entire loss to the client's investment. (For example: excessive withdrawals may result in the depletion of your account). Please understand that any losses are attributed to market forces beyond the control or prediction of the Firm. As you know, a recommendation, which you are free to accept or reject, is not a guarantee for the successful performance of an investment and we are expressly prohibited from guaranteeing accounts against losses arising from market conditions.

Item 9 Disciplinary Information

In May 2009, the Firm was found to have been in violation of Florida statute for failing to have its branch properly registered in the state. The Firm was censured and fined \$5,000. The branch has been properly registered.

Item 10 Other Financial Industry Activities and Affiliations

As mentioned above, the Firm is a wholly-owned subsidiary of Northeast Securities, Inc. ("Northeast Securities"), a FINRA-member broker-dealer. The executive officers and other employees of the Firm may also be owners, officers and/or registered representatives of Northeast Securities. As a result, the Firm will recommend Northeast Securities to its advisory clients in need of brokerage services if appropriate to the needs of the clients. Northeast Securities may also recommend the Firm to its clients in need of advisory services. There are no referral fee arrangements between Northeast Securities for these recommendations.

The Firm's officers and employees, in their separate capacities as registered representatives of Northeast Securities, will be able to effect securities transactions for advisory clients for which they will receive separate and customary compensation. The Firm will, subject to its duty to seek best execution, primarily use the brokerage services of Northeast Securities for its client accounts.

The principal executive officers and associated persons of NAM, as licensed registered representatives of an affiliated broker dealer and as insurance agents or brokers of various insurance companies, are able to effect securities transactions and/or purchase investment products (insurance) for any client, and may received compensation for such services in the form of commissions, fees or gross credits.

In addition, certain employees of the Firm may have outside business activities that outside the scope of their employment with the Firm. These employees may receive separate and typical compensation for the services or business they provide. The Firm will make every effort to disclose any activity it feels may pose a conflict of interests on Part 2B (this will be available July 2011)

Additional disclosure information concerning the Firm and its associated persons is available on the internet at [www.adviserinfo.sec.gov/IAPD/Content/Search/iapd\\_OrgSearch.aspx](http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_OrgSearch.aspx). The site can be searched by a unique identifying number, known as a CRD number. The CRD number for the Firm is **177567**.

While the Firm, its officers and employees endeavor at all times to put the interest of the clients first as part of the Firm's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

The Firm is under common ownership and control with Benchmark Capital Advisors LLC. ("Benchmark") which is also an SEC Registered Investment Advisor. The Firm does not have arrangements material to its advisory business with Benchmark and does not typically recommend the services of Benchmark to its advisory clients.

**Code of Ethics Summary:**

(adopted pursuant to Securities and Exchange Commission Rule 204A-1)

The Firm or individuals associated with the Firm may buy or sell securities identical to or different from those recommended to clients for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

As these situations present a conflict of interest, the Firm has adopted a Code of Ethics which sets forth ethical standards of business conduct, that the Firm requires of its employees, including compliance with applicable federal and state securities laws. The Firm's Code of Ethics stresses that no person employed by the Firm shall prefer his/her own interests to those of advisory clients and prohibits the use of material non-public information. The Firm requires that anyone associated with this advisory practice with access to advisory recommendations, client holdings or other specified information provide annual securities holdings reports and quarterly transaction reports of all reportable transactions to the Firm's designated officer. These reports are made available to an appropriate regulatory agency upon request. These reports will be reviewed on a regular basis by the Firm's President and/or Chief Compliance Officer (or their designees) to supervise compliance with the Firm's Code of Ethics.

The Firm's Code of Ethics provides for sanctions when appropriate. Clients and prospective clients may obtain a copy of the Firm's Code of Ethics upon request by contacting the Firm's Chief Compliance Officer at the Firm's principal office address.

**Trade Aggregation Policy Summary:**

The Firm may aggregate trades for itself or for its associated persons with client trades, providing that the following conditions are met:

1. The Firm's policies for the aggregation of transactions shall be fully disclosed in this Form ADV and provided to the Firm's existing clients and the broker-dealer(s) through which such transactions will be placed;
2. The Firm will not aggregate transactions unless it believes that aggregation is consistent with its duty to seek best execution (which includes the duty to seek best price) for its clients and is consistent with the terms of the Firm's investment advisory agreement with each client for which trades are being aggregated;
3. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all the Firm's transactions in a given security on a given business day. Clients will typically pay a flat fee for securities transactions or a combination of a flat transaction fee and a fee based on the number of shares traded (depending upon the transaction fee arrangement the client has with the broker-dealer);

4. The Firm will prepare, before entering an aggregated order, a written statement ("Allocation Statement") specifying the participating client accounts and how it intends to allocate the order among those clients;
5. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the Allocation Statement; if the order is partially filled, it will be allocated in alphabetical order based upon the last names of the clients in the Allocation Statement;
6. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reason for different allocation is explained in writing and is approved by the Firm's President or Chief Compliance Officer no later than one hour after the opening of the markets on the trading day following the day the order was executed;
7. The Firm's books and records will separately reflect, for each client account, the orders of which are aggregated, the securities held by, and bought and sold for that account;
8. Funds and securities of clients whose orders are aggregated will be deposited with one or more qualified custodians, and neither the clients' cash nor their securities will be held collectively and longer than is necessary to settle the purchase or sale in question on a delivery versus payment basis; cash or securities held collectively for clients will be delivered out to the custodian as soon as practicable following the settlement;
9. The Firm will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and
10. Individual advice and treatment will be accorded to each advisory client.

Item 12 Brokerage Practices

The Firm will endeavor to select those brokers and dealers that will provide the best service at the lowest commission rates and costs possible. The reasonableness of transaction costs are based on the broker's ability to provide professional services at competitive commission rates.

The Firm primarily uses its affiliated broker-dealer, Northeast Securities, Inc. for its client accounts. Northeast Securities, Inc. is an introducing broker for J.P. Morgan Clearing Corp. (a subsidiary of J.P. Morgan Securities), and Pershing LLC (a subsidiary of The Bank of New York Mellon Corporation). All are FINRA/SIPC member firms that are unrelated to Northeast Securities and the Firm.

The Firm, through its affiliated broker-dealer, Northeast Securities, Inc., may, from time to time, effect an agency cross transaction for an advisory client of the Firm, provided that the transaction is consistent with the Firm's fiduciary duty to the client and that all requirements outlined in Sec. 206(3)-2 of the Investment Advisors act of 1940 are met.

Agency cross transactions arise when a person acts as an investment advisor in relation to a transaction in which such investment advisor, or any person controlling, controlled by or under common control with such investment advisor, acts as broker for both such advisory client and for another person on the other side of the transaction.

Item 13 Review of Accounts

- A)** While the underlying securities within client accounts are continuously monitored, these accounts are reviewed at least quarterly by the client's investment advisor representative and at least annually by the Chief Compliance Officer or President of the Firm. Accounts are reviewed in the context of each clients stated investment objectives and guidelines.
- B)** More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

Item 14 *Client* Referrals and Other Compensation

The principal executive officers and other employees of the Firm may, from time to time, receive 12b-1 distribution fees from investment companies in connection with the placement of client funds into investment companies. The receipt of this compensation may affect the Firm's judgment in recommending products to its clients.

The Firm may, from time to time, compensate, either directly or indirectly, any person (defined as a natural person or a company) for client referrals. The Firm is aware of the special considerations promulgated under Section 206(4)-3 of the Investment Advisors Act of 1940 and similar state regulations. As such, appropriate disclosure shall be made, all written instruments will be maintained by the Firm and all applicable Federal and/or State laws will be observed.

The Firm has entered into Selling Agreements with other investment advisers registered under the Investment Advisors Act of 1940 or the appropriate State Securities Act, whereby the Firm will provide solicitation services on behalf of these other advisers. The other advisers provide market timing and/or portfolio management services on behalf of Clients. Solicitation fees are paid to the Firm in compliance with Rule 206 (4)-3. Specifically, services, disclosure forms and written agreements are pursuant to Rule 206 (4)-3(2)(iii)(A)-(C).

Item 15 Custody

The Firm is a wholly owned subsidiary of Northeast Securities Inc. who maintains a clearing agreement with J.P. Morgan Clearing Corp. ("clearing agent"). Your confirmations and statements will be sent to you directly from our clearing agent. Any trade discrepancies must be brought to the attention of the Northeast Securities Compliance Department within seven days of the trade date or we will presume all of the information on the confirmation is correct and that you approved the trade.

The Firm requests that it be provided with written authority to determine: (1) which securities that are bought or sold; (2) the amounts of securities that are bought or sold; (3) the broker-dealer to be used for client transactions; and (4) the commission costs that will be charged for these transactions. Any limitations on this discretionary authority shall be included in this written advisory statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

The Firm will endeavor to select those brokers and dealers that will provide the best service at the lowest commission rates and costs possible. The reasonableness of transaction costs are based on the broker's ability to provide professional services at competitive commission rates.

The Firm primarily uses its affiliated broker-dealer, Northeast Securities, Inc. for its client accounts. Northeast Securities, Inc. is an introducing broker for J.P. Morgan Clearing Corp. (a subsidiary of J.P. Morgan Securities), and Pershing LLC (a subsidiary of The Bank of New York Mellon Corporation). All are FINRA/SIPC member firms that are unrelated to Northeast Securities and the Firm.

#### **Directed Brokerage:**

Some clients, when undertaking an advisory relationship, have a pre-established relationship with a broker-dealer and will instruct the Firm to execute all transactions through that broker-dealer. In the event that a client directs the Firm to use a particular broker-dealer, it should be understood that under those circumstances the Firm will not have authority to negotiate commissions, obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to the client and those charged to other clients.

As the officers and other employees of the Firm are separately registered as representatives of Northeast Securities, Northeast Securities is required to supervise their securities trading activities. Clients may request that brokerage transactions be directed to a particular broker or dealer. However, if Northeast Securities believes that the use of that broker dealer would hinder it in meeting its supervisory obligations, the Firm will not be able to accept the account. In addition, the Firm reserves the right to decline acceptance of any client account for which the client directs the use of a broker dealer if the Firm believes that this choice would hinder its fiduciary duty to the client and/or its ability to service the account.

#### **Block Trading**

The Firm may block trades where possible and advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts. Block trading may permit equity trades to be executed in a timelier and more equitable

manner while allowing the Firm to obtain an average share price for clients participating in the block. Trades for the Firm's proprietary accounts and accounts of the Firm's affiliated persons may be included in the Firm's client block trades. The Firm will not be able to block trades for client accounts who direct the use of a broker-dealer other than Northeast Securities.

NAM reserves the right to decline to enter into an advisory agreement with a client who directs the use of a particular broker dealer, if NAM believes that the use of that broker dealer would inhibit NAM's ability to provide advisory services to the client.

### **Financial Planning**

NAM's financial planning practice, due to the nature of its business and client needs, does not include blocking trades, negotiating commissions with broker dealers or obtaining volume discounts, nor necessarily obtaining the best price. When consistent with its fiduciary duty, NAM will recommend the use of its associated broker dealer, NSI. Financial planning client may use any broker or dealer of their choice.

Item 17 Voting *Client* Securities

As a matter of firm policy and practice, the Firm does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

Item 18 Financial Information

- A)** The Firm does not require or solicit pre-payment, in any amount, of client fees.
- B)** The Firm is not facing any financial condition that would impair its ability to meet its contractual commitments to the client accounts over which it has discretionary authority.
- C)** The Firm has not been involved in a bankruptcy petition.

Item 19 Requirements for State-Registered Advisers

The Firm is not registered or seeking registration with any state securities authorities.